

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 910

A bill to amend 1975 PA 228, entitled
"Single business tax act,"
(MCL 208.1 to 208.145) by adding section 35i.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 35I. (1) A TAXPAYER THAT PROVIDES TRANSFERRED JOBS TO
2 THIS STATE MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT
3 EQUAL TO 100% OF THE PROPERTY TAXES PAID ON TANGIBLE PERSONAL
4 PROPERTY USED IN THE PERFORMANCE OF THE TRANSFERRED JOBS. THE
5 CREDIT ALLOWED UNDER THIS SECTION SHALL ONLY BE AVAILABLE FOR TAXES
6 PAID THE FIRST YEAR THAT THE TAXPAYER PAYS PROPERTY TAXES ON THAT
7 PROPERTY WHICH SHALL BE THE SAME TAX YEAR IN WHICH THE CREDIT UNDER
8 THIS SECTION BASED ON THOSE PROPERTY TAXES IS CLAIMED.
9 (2) THE CREDIT UNDER SUBSECTION (1) CAN BE CLAIMED ONLY FOR

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1 TAXES PAID IN THE 2007 OR 2008 TAX YEAR.

2 (3) THE MICHIGAN ECONOMIC GROWTH AUTHORITY SHALL DETERMINE IF
3 THE TAXPAYER PROVIDES TRANSFERRED JOBS. IF THE MICHIGAN ECONOMIC
4 GROWTH AUTHORITY DETERMINES THAT THE TAXPAYER PROVIDES TRANSFERRED
5 JOBS, THE MICHIGAN ECONOMIC GROWTH AUTHORITY SHALL ISSUE A
6 CERTIFICATE TO THE TAXPAYER THAT INCLUDES ALL OF THE FOLLOWING:

7 (A) THE TAXPAYER'S FEDERAL IDENTIFICATION NUMBER.

8 (B) THE NUMBER OF TRANSFERRED JOBS, AS DETERMINED BY THE
9 MICHIGAN ECONOMIC GROWTH AUTHORITY.

10 (C) THE TAXABLE VALUE OF THE PROPERTY USED IN THE PERFORMANCE
11 OF THE TRANSFERRED JOBS AS REPORTED BY THE TAXPAYER ON THE PROPERTY
12 TAX STATEMENT REQUIRED BY AND FILED UNDER SECTION 19 OF THE GENERAL
13 PROPERTY TAX ACT, 1893 PA 206, MCL 211.19.

14 (4) THE TAXPAYER SHALL NOT CLAIM A CREDIT UNDER THIS SECTION
15 UNLESS THE MICHIGAN ECONOMIC GROWTH AUTHORITY HAS ISSUED A
16 CERTIFICATE TO THE TAXPAYER PURSUANT TO SUBSECTION (3). THE
17 TAXPAYER SHALL ATTACH THE CERTIFICATE TO THE ANNUAL RETURN REQUIRED
18 UNDER THIS ACT ON WHICH THE CREDIT UNDER THIS SECTION IS CLAIMED.

19 (5) IF THE TAXPAYER DOES NOT MAINTAIN THE TOTAL NUMBER OF JOBS
20 LOCATED IN THIS STATE [OR, IF THE JOBS QUALIFY UNDER SUBSECTION
(9)(E)(III)(B), AT THE FACILITY,] IN THE TAX YEAR IMMEDIATELY PRECEDING
THE TAX

21 YEAR IN WHICH [THE TRANSFERRED JOBS WERE MOVED TO THIS STATE], FOR 3
YEARS

22 AFTER THE YEAR IN WHICH A CREDIT UNDER THIS SECTION WAS CLAIMED,
23 THE FOLLOWING PERCENTAGE OF THE CREDIT AMOUNT PREVIOUSLY CLAIMED
24 UNDER THIS SECTION SHALL BE ADDED BACK TO THE TAX LIABILITY OF THE
25 TAXPAYER IN THAT YEAR:

26 (A) IF THE TOTAL NUMBER OF JOBS IS LESS DURING THE FIRST YEAR
27 AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED, 100%.

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1 (B) IF THE TOTAL NUMBER OF JOBS IS LESS DURING THE SECOND YEAR
2 AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED AND SUBDIVISION (A)
3 DID NOT APPLY, 67%.

4 (C) IF THE TOTAL NUMBER OF JOBS IS LESS DURING THE THIRD YEAR
5 AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED AND NEITHER
6 SUBDIVISION (A) NOR (B) APPLIED, 33%.

7 (6) PERSONAL PROPERTY TAXES USED TO CALCULATE A CREDIT UNDER
8 THIS SECTION SHALL NOT BE USED TO CALCULATE A CREDIT UNDER SECTION
9 35D, 35F, 35G, OR 35H.

10 (7) THE CREDIT ALLOWED UNDER THIS SECTION SHALL BE CALCULATED
11 AFTER APPLICATION OF ALL OTHER CREDITS ALLOWED UNDER THIS ACT.

12 (8) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE
13 TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR, THAT PORTION OF THE
14 CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL BE REFUNDED.

15 (9) AS USED IN THIS SECTION AND SECTION 35J:

16 (A) "FACILITY" MEANS, AS DETERMINED BY THE MICHIGAN ECONOMIC
17 GROWTH AUTHORITY, A SITE OR COMBINATION OF SITES[IN THIS STATE] AT WHICH
18 TRANSFERRED JOBS ARE LOCATED.

19 (B) "HIGH-TECHNOLOGY ACTIVITY" MEANS THAT TERM AS DEFINED IN
20 SECTION 3 OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY ACT, 1995 PA
21 24, MCL 207.803.

22 (C) "MANUFACTURING JOBS" ARE JOBS FOR A COMPANY THAT HAS A
23 CLASSIFICATION UNDER SECTOR 33, SUBSECTOR 321, OR SUBSECTOR 322 OF
24 THE NORTH AMERICAN INDUSTRIAL CLASSIFICATION SYSTEM (NAICS).

25 (D) "PROPERTY TAXES" MEANS ANY OF THE FOLLOWING:

26 (i) TAXES COLLECTED UNDER THE GENERAL PROPERTY TAX ACT, 1893 PA
27 206, MCL 211.1 TO 211.157.

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(ii) TAXES LEVIED UNDER 1974 PA 198, MCL 207.551 TO 207.572.

(iii) TAXES LEVIED UNDER THE OBSOLETE PROPERTY REHABILITATION ACT, 2000 PA 146, MCL 125.2781 TO 125.2797.

(iv) ANY PAYMENTS MADE BY THE TAXPAYER PURSUANT TO A CONTRACT WITH THE MICHIGAN STRATEGIC FUND IN CONNECTION WITH THE CREATION OF A RENAISSANCE ZONE UNDER THE MICHIGAN RENAISSANCE ZONE ACT, 1996 PA 376, MCL 125.2681 TO 125.2696, TO THE EXTENT THAT THOSE PAYMENTS ARE MADE BY THE TAXPAYER TO REIMBURSE ALL TAXING UNITS FOR PROPERTY TAXES THAT WOULD OTHERWISE BE EXEMPT UNDER SECTION 7FF OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.7FF.

(E) "TRANSFERRED JOBS" MEANS JOBS THAT MEET ALL OF THE FOLLOWING CRITERIA:

(i) ARE JOBS THAT PERFORM HIGH-TECHNOLOGY ACTIVITY OR MANUFACTURING JOBS.

(ii) WERE LOCATED IN A DIFFERENT STATE OR DIFFERENT COUNTRY BEFORE BEING MOVED TO THIS STATE IN [THE TAX YEAR IN WHICH THE TAXPAYER CLAIMS A CREDIT UNDER THIS SECTION OR IN] THE IMMEDIATELY PRECEDING TAX YEAR.

(iii) MEET EITHER OF THE FOLLOWING CRITERIA:

(A) REPRESENT AN OVERALL INCREASE IN FULL-TIME EQUIVALENT JOBS OF THE TAXPAYER IN THIS STATE FOR THE [TAX YEAR IN WHICH THE TAXPAYER CLAIMS A CREDIT UNDER THIS SECTION OR THE IMMEDIATELY PRECEDING] TAX YEAR ABOVE THE TOTAL NUMBER OF FULL-TIME EQUIVALENT JOBS OF THE TAXPAYER IN THE [] TAX YEAR [IMMEDIATELY PRECEDING THAT YEAR].

(B) IF APPROVED BY THE MICHIGAN ECONOMIC GROWTH AUTHORITY AND UPON A SHOWING BY THE TAXPAYER, MEET BOTH OF THE FOLLOWING CRITERIA:

(I) THE [] JOBS REPRESENT AN INCREASE IN THE NUMBER OF FULL-TIME EQUIVALENT JOBS OF THE TAXPAYER FOR THE [TAX YEAR IN WHICH THE TAXPAYER CLAIMS A CREDIT UNDER THIS SECTION OR THE IMMEDIATELY PRECEDING] TAX YEAR AT

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1 THE FACILITY TO WHICH THE JOBS ARE TRANSFERRED ABOVE THE NUMBER OF
2 FULL-TIME EQUIVALENT JOBS OF THE TAXPAYER AT THE FACILITY FOR THE
3 [] TAX YEAR [IMMEDIATELY PRECEDING THAT YEAR].

4 (II) THE TRANSFER OF JOBS TO THE FACILITY IS SUBSTANTIALLY
5 MORE LIKELY TO OCCUR IF THE TAXPAYER RECEIVES THE CREDIT PROVIDED
6 BY THIS SECTION.

7 (iv) IS NOT A JOB INTO WHICH AN EMPLOYEE TRANSFERS IF THE
8 EMPLOYEE WORKED IN THIS STATE FOR THE TAXPAYER, A RELATED ENTITY OF
9 THE TAXPAYER, OR AN ENTITY WITH WHICH THE TAXPAYER FILES A
10 CONSOLIDATED RETURN UNDER SECTION 77 IN ANOTHER JOB PRIOR TO
11 BEGINNING THE TRANSFERRED JOB.

12 (v) THE BENEFITS FOR THE EMPLOYEE IN THE TRANSFERRED JOB
13 INCLUDE COVERAGE UNDER HEALTH AND WELFARE AND NONINSURED BENEFIT
14 PLANS, INCLUDING, BUT NOT LIMITED TO, PRESCRIPTION COVERAGE,
15 PRIMARY HEALTH CARE COVERAGE, AND HOSPITALIZATION THAT IS NOT
16 LIMITED TO EMERGENCY ROOM SERVICES OR SUBJECT TO DOLLAR LIMITS,
17 DEDUCTIBLES, AND COINSURANCE PROVISIONS THAT ARE NOT LESS FAVORABLE
18 THAN THOSE FOR PHYSICAL ILLNESS GENERALLY.

19 Enacting section 1. This amendatory act does not take effect
20 unless all of the following bills of the 93rd Legislature are
21 enacted into law:

22 (a) Senate Bill No. 203.

23 (b) Senate Bill No. 909.

24 (c) House Bill No. 4982.

25 (d) House Bill No. 5459.

26 (e) House Bill No. 5460.

27 (f) House Bill No. 5461.

1 Enacting section 2. If a final order of a court of competent
2 jurisdiction for which all rights of appeal have been exhausted or
3 have expired determines that any provision of the credit allowed
4 under the section added by this amendatory act or any other
5 provision of this act that provides a deduction, credit, or
6 exemption with respect to employment, persons, services, taxes,
7 investment, or any other activity that is limited only to this
8 state is unconstitutional or applies to employment, persons,
9 services, taxes, investment, or any other activity outside of this
10 state, then that deduction, credit, or exemption shall be severed
11 from this act in its entirety and shall not be effective for any
12 tax year for which the final ruling applies and the remaining
13 provisions of this act shall remain in effect.